



# Massachusetts Economic Update

November 18, 2016

## Summary

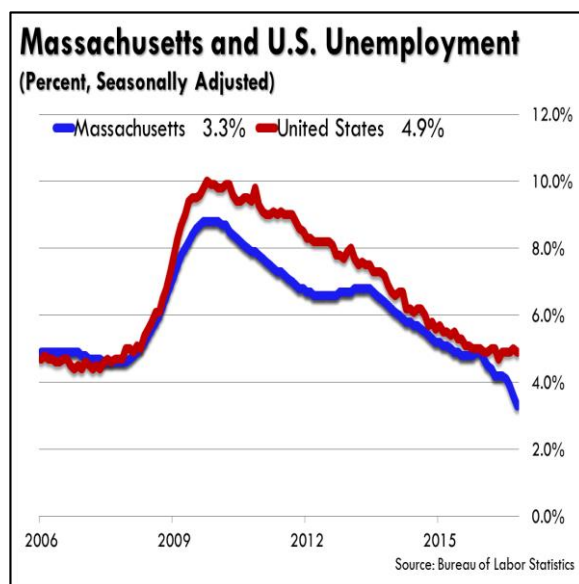
Nonfarm payroll employment in Massachusetts declined by 5,500 jobs, and the unemployment rate fell to 3.3 percent in October according to data released by the Bureau of Labor Statistics (BLS).

## Massachusetts Unemployment Rate

During October, the unemployment rate in Massachusetts declined by 0.3 percentage point to 3.3 percent. The number of people counted as unemployed fell by 11,854 in October to 117,294, while the labor force fell by 2,281 to 3,608,821. Among the 50 states and the District of Columbia, only 5 posted lower unemployment rates. A year earlier, the unemployment rate in Massachusetts stood at 4.8 percent.

The 10-year peak for the unemployment rate in Massachusetts was 8.8 percent in January 2010. The series high for the unemployment rate in Massachusetts occurred in January 1976 when the unemployment rate reached 10.7 percent. The 10-year low for the unemployment rate in Massachusetts was 3.3 percent in October 2016. The series low for the unemployment rate in Massachusetts occurred in October 2000 when the unemployment rate was 2.6 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate declined by 0.1 percentage point to 4.9 percent in October. October's unemployment rate was 0.1 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



## Massachusetts Payroll Employment

Massachusetts nonfarm payrolls declined by 5,500 jobs, or 0.15 percent, on a seasonally adjusted basis during October. In the prior month, nonfarm payrolls increased by 8,100. Over the past 12 months, nonfarm payrolls in Massachusetts increased by 71,400, or 2.04 percent. Massachusetts nonfarm payroll employment has increased in 10 of the past 12 months.

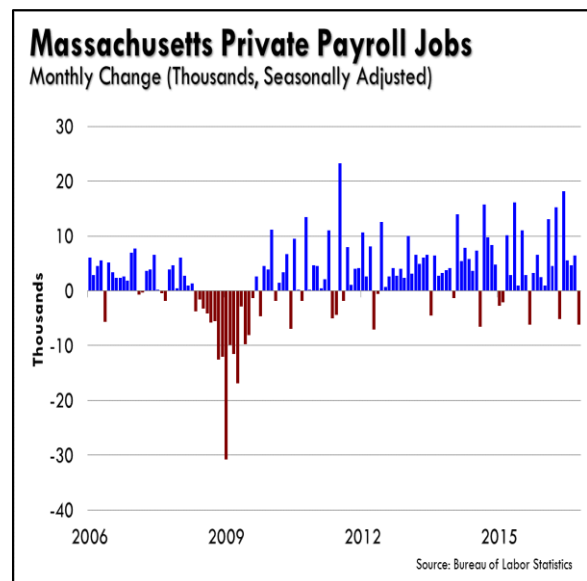
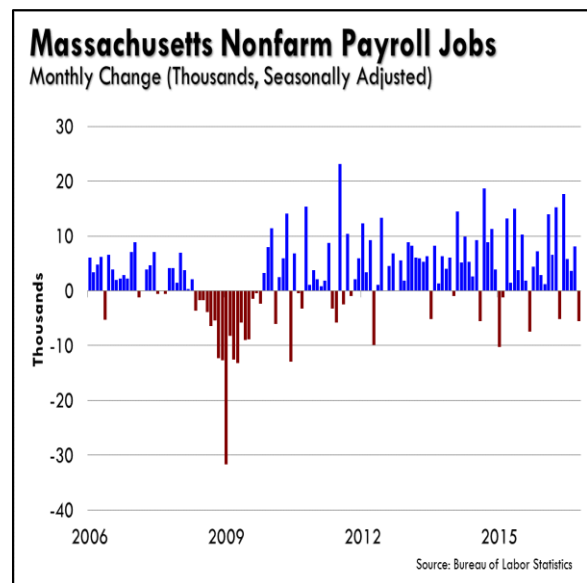
Nationally, nonfarm payrolls increased by 161,000 jobs in October, or 0.11 percent. Over the 12-month period ending October 2016, nonfarm payrolls grew by 2,357,000 jobs, or 1.65 percent. Massachusetts ranks 15th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During October, Massachusetts private-sector payrolls declined by 6,200, or 0.20 percent. Private-sector payrolls increased by 6,400 jobs in the prior month. Over the past 12 months, private-sector payrolls in Massachusetts increased by 66,200, or 2.17 percent. Massachusetts private-sector payroll employment has increased in 10 of the past 12 months.

Nationally, private-sector payroll jobs increased by 142,000 jobs in October, or 0.12 percent. Over the past 12 months, the nation's economy has added 2,149,000 jobs in the private-sector, an increase of 1.78 percent.

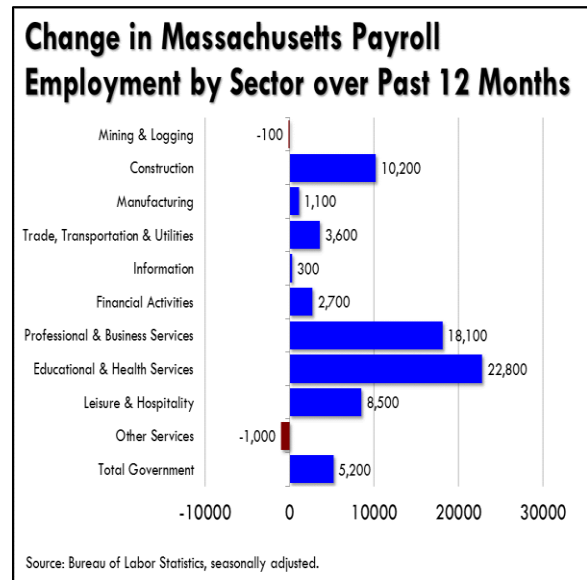
Massachusetts ranks 19th among the 50 states and the District of Columbia for percentage gain in private-sector payroll employment over the past 12 months.

During October, total government payroll employment in Massachusetts increased by 700, or 0.15 percent. Federal government payroll employment was unchanged. State government payroll employment declined by 400, or 0.30 percent, while local government payroll employment increased by 1,100, or 0.40 percent.



Over the past year, total government payroll employment increased by 5,200, or 1.15 percent. State government payroll employment increased by 3,600, or 2.74 percent. Local government payroll employment increased by 900, or 0.33 percent.

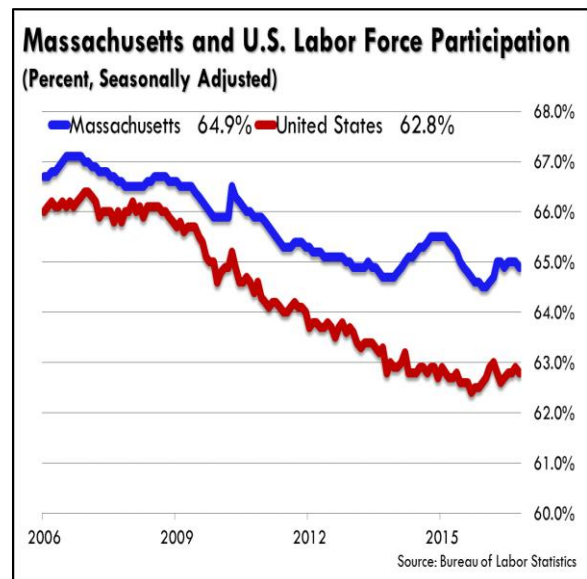
The best performing sectors on a seasonally adjusted basis during October were Professional & Business Services (+1,700) and Other Services (+1,400). The poorest performing sectors during the month were Educational & Health Services (-4,100) and Trade, Transportation & Utilities (-2,400).



The best performing sectors during the last twelve months were Educational & Health Services (+22,800) and Professional & Business Services (+18,100). The poorest performing sectors during the last twelve months were Other Services (-1,000) and Mining & Logging (-100).

#### Other Massachusetts Labor Force Statistics

The labor force participation rate in Massachusetts declined to 64.9 percent in October from 65.0 percent the prior month. Among the 50 states and the District of Columbia, 19 have a higher labor force participation rate than Massachusetts. The labor force participation rate in Massachusetts is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.



The 10-year high for the labor force participation rate in Massachusetts was 67.1 percent in November 2006. The series high for the labor force participation rate in Massachusetts occurred in December 1989 when the labor force participation rate hit 69.1 percent. The 10-year low for the labor force participation rate was 64.5 percent in January 2016. This also represents the series low for the labor force participation rate in Massachusetts.

The national labor force participation rate declined by 0.1 percentage point to 62.8 percent in October 2016, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Massachusetts civilian noninstitutionalized population 16 years and older counted as employed, rose to 62.8 percent in October from 62.7 percent the prior month. Among the 50 states and the District of Columbia, 14 have higher employment-to-population ratios than Massachusetts. The employment-to-population ratio in Massachusetts is 1.3 percentage points higher than a year earlier.

The 10-year high for the employment-to-population ratio in Massachusetts was 63.8 percent in December 2006. The series high for the employment-to-population ratio in Massachusetts occurred in December 1998 when the employment-to-population ratio hit 66.7 percent. The 10-year low for the employment-to-population ratio was 60.1 percent in February 2010. The series low for the employment-to-population ratio occurred in March 1976 when the employment-to-population ratio was 57.7 percent.

The national employment-to-population ratio declined by 0.1 percentage point to 59.7 percent in October. That rate was 0.4 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for November is scheduled for release on December 16, 2016. The national employment situation report for November will be released on Friday, December 2, 2016.

